



APPROVED MINUTES
APPROVED 09-17-12

CITY OF SCOTTSDALE
AUDIT COMMITTEE

MONDAY, AUGUST 20, 2012

CITY HALL
KIVA CONFERENCE ROOM
3939 NORTH DRINKWATER BOULEVARD
SCOTTSDALE, AZ 85251

REGULAR MEETING

PRESENT: Councilwoman Suzanne Klapp, Chair
Councilman Robert Littlefield

ABSENT: Councilwoman Linda Milhaven

STAFF: Brad Carr, Current Planning Department
Tim Curtis, Current Planning Department
Joyce Gilbride, Finance & Accounting Division
Lee Guillory, Finance & Accounting Division
Rachel Smetana, Mayor's Office
Kyla Anderson, City Auditor's Office
Sharron Walker, City Auditor's Office

CALL TO ORDER

Chair Klapp called the meeting to order at 4:01 p.m.

A formal roll call confirmed the presence of Committee Members as noted above.

1. Approval of Minutes, Regular Meeting, June 18, 2012

COUNCILMAN LITTLEFIELD MOVED TO APPROVE THE MINUTES OF THE JUNE 18, 2012 REGULAR MEETING. CHAIR KLAPP SECONDED THE MOTION, WHICH CARRIED BY A VOTE OF TWO (2) TO ZERO (0). COUNCILWOMAN MILHAVEN WAS ABSENT.

2. Discussion and possible direction to staff regarding sunset reviews:

- a) Building Advisory Board of Appeals**
- b) Board of Adjustment**

City Auditor Sharron Walker noted that the Committee Members had been provided with each Board's annual reports to City Council and supplementary information from the staff liaisons. She reminded the Audit Committee that its responsibility is to review whether each board is serving its intended purpose, whether it should be maintained or modified, and whether the purpose of the board has been served or is no longer required. The Committee is to recommend to City Council whether to continue or terminate each board.

Councilman Littlefield remarked that both these boards are required by City Code. Chair Klapp added that City Code could be changed, but the Board of Adjustment is also required by City Charter which would take a different process but could be changed. The Committee's consensus was that there was no need to make any modifications to either of these bodies and their continuation will be recommended to the full Council. Chair Klapp asked Ms. Walker to thank the staff liaisons for providing the reports and asked that a letter be sent to the Boards.

Ms. Walker said in September the Committee will be conducting a sunset review for the Environmental Quality Advisory Board. She proposed, with the Committee's approval, placing the Committee's recommendations for all three boards on the City Council agenda after the September meeting.

3. Discussion and possible direction to staff regarding Citywide Risk Assessment Model Report No. 1216

Ms. Walker stated this project was conducted because she wants to have a more systematic, automated process for evaluating different activities of the City for the annual audit plans. This report describes how the model was developed.

In response to a question from Chair Klapp, Ms. Walker said she expects the new model will be completed in time to develop the audit plan for FY 2013/14, which will be proposed around March or April next year. Councilman Littlefield noted that this will give

a more objective, transparent system. Chair Klapp commented that this could lead to audits of areas that may not otherwise have been considered.

4. Discussion and possible direction to staff regarding 2nd Quarter TPRO Report

Ms. Walker reviewed the second quarter Taxpayer Problem Resolution Officer's report. Tax & License customer surveys continue to have highly positive results. Six Tax Audit surveys were sent to taxpayers who had been audited but only one responded. While this was a low response rate, the rating was positive.

5. Discussion and Possible Direction to Staff direction to staff regarding status of FY 2012/13 Audit Plan

Ms. Walker outlined changes to the status update report, with the table expanded to include information previously in a separate chart. In reviewing status details, she noted that the Committee will likely not need to meet in October. Two audits will be ready in September, and the next audits are expected to be completed in November and December.

While waiting for outside organizations to provide data on some current audits, the staff has started preliminary work on the E-Verify compliance and the Cash Handling audits. Noting that City Council's December meetings are in the first week of that month, Chair Klapp suggested checking at the September 17 meeting regarding whether all Committee Members would be available to attend an Audit Committee meeting in mid-December. Ms. Walker noted that the WestWorld audit report could move to the January 2013 meeting agenda. By the September meeting, she will have a better idea of the timing.

6. Discussion and Possible Direction regarding agenda items for next Audit Committee meeting (September 17, 2012)

Ms. Walker reviewed the September agenda, which includes presenting the utility franchise agreement compliance audit, the Airport FBO compliance audit, and the EQAB sunset review.

Public Comment

No members of the public wished to address the Committee.

Adjournment

The meeting adjourned at approximately 4:21 p.m.

Respectfully submitted,
A/V Tronics, Inc. DBA AVTranz.